

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE CHINA MEDIAEXPRESS HOLDINGS,  
INC. SHAREHOLDER LITIGATION

This Document Relates to:  
ALL ACTIONS

Civil Action No. 11-cv-0804 (VM)

CLASS ACTION

ECF Case  
Electronically Filed

**INTERIM REPORT OF RECEIVER**

Karl Barth, as Court-appointed Receiver (“Receiver”), submits this interim report of receivership activities through October 31, 2017. As described in more detail below, the receivership currently has net assets of \$3,298,940, consisting entirely of a cash balance in the receivership trust account resulting from the settlement of legal claims brought against certain of CCME’s former insurers. The Receiver has also arrived at a settlement of an additional \$1,200,000 with certain other insurers, subject to Court approval. The Receiver continues to pursue legal claims against additional third parties that he hopes will increase the value of the receivership.

**A. Settlements With Certain of CCME’s Former Insurers**

The Receiver has pursued claims against certain of CCME’s former insurers that sold the Company director and officer insurance coverage, but which have asserted various coverage defenses and denied coverage for these policies. CCME purchased a total of \$20 million of insurance in three layers of coverage: 1) a \$5 million primary layer of coverage jointly underwritten by Torus Executive Risks, Ltd. and Starr Underwriting Agents, Ltd.; 2) a \$5 million secondary “excess” layer underwritten by AIG Insurance Hong Kong Limited; and 3) a \$10

million additional excess layer of coverage jointly underwritten by China Pacific Insurance Co., (H.K.) Ltd. and China Ping An Insurance (Hong Kong) Co. Ltd.

The Receiver filed litigation against each of these carriers, and has obtained settlements to date totaling \$3.3 million from the joint underwriters of the \$5 million primary layer of coverage. These settlements were previously approved by the Court on October 30, 2015 (Starr Underwriting Agents, Ltd./ Lloyd's Syndicate 1919 CVS)<sup>1</sup> and December 16, 2015 (Torus Executive Risks, Ltd.).<sup>2</sup>

**B. Proposed Settlements**

The Receiver has also reached proposed settlements totaling \$1.2 million from AIG Insurance Hong Kong Limited; China Pacific Insurance Co., (H.K.) Ltd. and China Ping An Insurance (Hong Kong) Co. Ltd. ECF No. 300.

**C. Current Receivership Net Asset Balance**

The receivership currently has net assets of \$3,298,940, which are held in a trust account at Union Bank, N.A in the name of China MediaExpress Holdings, Inc. and under the control of the Receiver. This balance consists of the above-referenced \$3.3 million in settlements obtained from CCME's prior insurers, less only \$1,060 in bank changes. The receivership has paid no other expenses.

**D. Accrued Payables From the Receivership**

The Receiver will not seek any fee from the receivership for his service as Receiver or his role in obtaining these settlements, but will request the payment of attorneys' fees to his counsel that represented the receivership and were instrumental in obtaining the above-noted \$4.5 million in settlements, and who continue to represent the receivership in other claims.

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<sup>1</sup> Docket No. 272.

<sup>2</sup> Docket No. 284.

**E. Continuing Efforts of the Receiver**

The Special Receiver, Charles La Bella, is overseeing claims against CCME's former counsel in an arbitration proceeding that I understand is scheduled for February 2018.

DATED: November 22, 2017

**HAGENS BERMAN SOBOL SHAPIRO LLP**

By /s/ Karl P. Barth

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*Receiver of China MediaExpress Holdings, Inc.*

**CERTIFICATE OF SERVICE**

I hereby certify that I am the ECF User whose ID and password are being used to electronically file the foregoing with the Clerk of the Court using the CM/ECF system on November 22, 2017, which will send notification of such filing to the e-mail addresses registered, as denoted on the attached Electronic Mail Notice List, and I hereby certify that I have mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

/s/ Karl P. Barth

KARL P. BARTH